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ANNUAL REPORT

OF THE

BOSTON AND MAINE

1885-86.

RAILROAD.

WEDNESDAY, DEC. 8, 1886.

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FIFTY-THIRD ANNUAL REPORT
OF THE
DIRECTORS
OF THE
BOSTON AND MAINE RAILROAD
TO THE
STOCKHOLDERS,
FOR THE YEAR ENDING SEPTEMBER 30, 1886.

WEDNESDAY, DEC. 8, 1886.

BOSTON :
RAND AVERY SUPPLY COMPANY.
1886.

BOSTON AND MAINE RAILROAD.

The Annual Meeting of the Stockholders of the Boston and Maine Railroad will be held at LAWRENCE, in the City Hall, on WEDNESDAY, the eighth day of December, 1886, at half-past ten o'clock A.M., for the following purposes, viz. :—

1. To hear and act upon the Report of the Directors.
2. To see if the Stockholders will amend Article Third of the By-Laws, by reducing the number of Directors to nine.
3. For the choice of Directors for the ensuing year.
4. To consider if the Stockholders will authorize the Directors to unite with the Eastern Railroad Co., or with any other Railroad Corporation or Corporations whose roads now enter the city on the northerly side, in the building or maintenance of a Union Station, and make such arrangements with each other as shall avoid, as far as practicable, the crossings of their several railroads with each other at grade, as provided for in an Act of the Massachusetts Legislature, approved June 16th, 1886.
5. To act upon the question of issuing additional "Improvement Bonds."
6. For the transaction of any other business which may be legally brought before them.

By order of the Directors.

BOSTON, Nov. 17, 1886.

C. P. JUDD, *Clerk.*

Stockholders *only* will be passed free *to* and *from* the place of meeting, on exhibiting their certificates to the conductors.

The special Stockholders' trains will leave Great Falls at 7.00 A.M., and Boston at 9.00 A.M., for Lawrence; and will leave Lawrence for Boston at 12.00 M., and for Great Falls at 12.30 P.M.

Stockholders from Portland and stations east of North Berwick will take the train which leaves Portland at 7.30 A.M., and returning to stations between Rollinsford and Portland, will take the trains which leave South Lawrence at 1.46 or 4.46 P.M.

Stockholders are requested to take passage in the trains provided for them, and thus avoid annoying passengers by crowding the regular trains.

Stockholders going from either direction *beyond* Lawrence, before the adjournment of the meeting, will be charged regular fares between Lawrence and the stations to which they take passage.

By order of the Directors.

JAMES T. FURBER,

Gen'l Manager.

OFFICERS

OF THE

BOSTON AND MAINE RAILROAD.

DIRECTORS ELECTED DEC. 9, 1885.

| | |
|--------------------------------|---------------------|
| GEORGE C. LORD | NEWTON, MASS. |
| *NATHANIEL G. WHITE | LAWRENCE, MASS. |
| AMOS PAUL. | SO. NEWMARKET, N.H. |
| NATHANIEL J. BRADLEE | BOSTON, MASS. |
| WILLIAM S. STEVENS | DOVER, N.H. |
| JAMES R. NICHOLS | HAVERHILL, MASS. |
| JOSEPH S. RICKER | DEERING, ME. |
| SAMUEL C. LAWRENCE | MEDFORD, MASS. |
| RICHARD OLNEY | BOSTON, MASS. |
| FRANK JONES | PORTSMOUTH, N.H. |
| CHAUNCEY P. JUDD, CLERK. | |

| | |
|--------------------------------------------------------|----------------|
| GEORGE C. LORD, PRESIDENT | BOSTON. |
| JAMES T. FURBER, GENERAL MANAGER | BOSTON. |
| AMOS BLANCHARD, TREASURER | BOSTON. |
| WILLIAM J. HOBBS, AUDITOR | BOSTON. |
| D. J. FLANDERS, GEN. PASS. AND TICKET AGENT | BOSTON. |
| CHARLES E. LORD, ASST. GEN. PASS. AND TICKET AGENT. | BOSTON. |
| W. J. C. KENNEY, GENERAL FREIGHT AGENT | BOSTON. |
| WILLIAM F. BERRY, ASST. GEN. FREIGHT AGENT | BOSTON. |
| WILLIAM MERRITT, JR., SUPT. WESTERN DIVISION | BOSTON. |
| DANIEL W. SANBORN, SUPT. EASTERN DIVISION | BOSTON. |
| JOHN W. SANBORN, SUPT. NORTHERN DIVISION | WOLFBO'RO' JC. |
| CHARLES HOWARD, SUPT. WOR., NASHUA & PORT. DIV., | WORCESTER. |
| GEORGE J. FISHER, PURCHASING AGENT | BOSTON. |
| WILLIAM SMITH, SUPT. MOTIVE POWER | BOSTON. |
| JOHN BAILEY, MAST. MAINT. OF WAY, WESTERN DIV., | LAWRENCE. |
| H. BISSELL, MAST. MAINT. OF WAY, EAST. AND NOR. DIV'S, | SALEM. |
| D. C. RICHARDSON, MASTER CAR BUILDER | LAWRENCE. |
| CHARLES H. NOWELL, PAYMASTER | BOSTON. |

GENERAL OFFICES AT PASSENGER STATION,
HAYMARKET SQUARE, BOSTON.

* Deceased.

FIFTY-THIRD ANNUAL REPORT.

To the Stockholders of the Boston and Maine Railroad:

The Directors respectfully submit the following report of the operations of the road for the year ending Sept. 30, 1886: —

| | |
|---------------------------------------------------------------------------------------------------------------|----------------|
| The gross receipts for the year ending Sept. 30, | |
| 1886, were | \$7,543,691 30 |
| Operating expenses, including taxes, \$259,427 38 | 4,801,793 61 |
| Net earnings | \$2,741,897 69 |
| Interest on funded and unfunded debt, \$255,439 94 | |
| Rent of leased lines | 1,365,117 31 |
| | 1,620,557 25 |
| Surplus of net earnings over fixed charges | \$1,121,340 44 |
| Of this sum there will be paid to the Eastern Railroad Company, agreeable to the terms of the lease | |
| | \$421,340 44 |
| And there remains to this Company | 700,000 00 |
| Which has been appropriated as follows : | |
| Dividend paid May 15th, 4½% | \$315,000 00 |
| “ declared, payable Nov. 15, 5%, 350,000 00 | |
| Balance to the credit of Profit and Loss | 35,000 00 |
| | \$700,000 00 |

The business of the year—which includes the operation of the Worcester, Nashua and Rochester Railroad for nine months—as compared with that of the previous year, with the same months of the Worcester, Nashua and Rochester road included, is as follows:—

| | |
|-----------------------------------------------------------------------------------------------------------------------|----------------|
| Receipts from passengers in 1886 were | \$4,040,286 41 |
| Being an increase of | 349,379 78 |
| Receipts from freight in 1886 were | 2,929,766 07 |
| Being an increase of | 189,328 35 |
| Receipts from mails in 1886 were | 95,448 66 |
| Being a decrease of | 2,692 47 |
| Receipts from expresses and extra baggage in 1886 were | 188,381 24 |
| Being an increase of | 17,862 16 |
| Receipts from rents, income from property, etc., in 1886 were | 289,808 92 |
| Being an increase of | 3,354 78 |
| Increase in receipts from all sources | 557,232 60 |
| The operating expenses—excluding taxes, interest on Improvement Bonds, and Sinking Fund—for 1886 were | 4,494,162 46 |
| Being an increase of | 249,297 33 |
| The taxes for 1886 were | 259,247 38 |
| Being an increase of | 37,092 89 |
| <hr/> | |
| General Expenses of Office and Prop- erty | \$162,540 97 |
| General Expenses of Transportation, | 363,190 31 |
| Passenger Transportation Expenses | 557,253 02 |
| Freight Transportation Expenses | 651,843 04 |
| Motive Power Expenses | 1,224,514 47 |
| Maintenance of Cars | 476,488 21 |
| Maintenance of Way and Buildings | 1,058,332 44 |
| <hr/> | |
| TOTAL OPERATING EXPENSES | \$4,494,162 46 |

| | |
|--------------------------------------------------------------------------|-----------------------|
| Taxes | \$259,247 38 |
| Interest on Improvement Bonds | 34,493 77 |
| Sinking Fund for Redemption of Improvement Bonds | 13,890 00 |
| TOTAL OPERATING EXPENSES, TAXES, ETC. | \$4,801,793 61 |
| Increase in expenses over last year | \$310,682 32 |
| The number of passengers carried last year was | 17,022,581 |
| Being an increase over the previous year of | 1,111,850 |
| Number carried one mile | 224,223,291 |
| Being an increase over the previous year of | 14,618,818 |
| The number of tons of merchandise carried the past year was | 2,703,201 |
| Being an increase of | 198,574 |
| Number of tons carried one mile | 129,125,871 |
| Being an increase of | 1,856,823 |
| The number of miles run the past year was | 5,597,492 |
| Being an increase over the past year of | 265,478 |

Thirteen locomotives have been purchased and one has been built by us during the year. Five are for freight service, four for passenger service, and five are switching engines. Eight of them take the place of old ones on the Eastern Division, and four on the Western Division — two only being an addition to our equipment.

Eighty-eight locomotives have been in the shops for general repairs, and 107 for light repairs, at a cost of \$185,434.99. We now have 233 locomotives, of which 103 are our own and 130 belong to our leased lines. The locomotive mileage for the year has been 5,597,492 miles, consuming 124,810 tons of coal.

Two parlor cars, four passenger cars, four combination cars, two mail and passenger cars, three baggage cars,

forty-two box cars, thirty-six platform cars and eight dump cars have been built in our shops. These all, except the parlor cars, take the place of others.

Fifteen passenger cars, two hundred box cars, fifty platform cars and one hundred dump cars have been purchased. Of these, six passenger cars and thirty-five box cars take the place of old ones. The others are additional to our equipment, and are charged to improvement account.

Fifteen hundred and thirty-four United States car-couplers have been attached to our freight cars during the year.

The capacity of our machine shop at Charlestown has been much increased by the addition of the old engine-house adjoining it (which was vacated by the building of the new engine-house last year), and by the erection of a new office and pattern-house.

The machine shop at East Boston has been abandoned, the best of the machinery having been moved to the shop at Charlestown, and much new machinery has been purchased. The shop, even now, is hardly sufficient for the repair of our increased number of locomotives. The same may be said of our shops at Lawrence and Salem for the repair of cars. They are old and inconvenient, with limited room, and it will be true economy, ere many years, to build at some locality convenient for both divisions of the road, new shops, with all the modern appliances for doing work rapidly and economically.

A new storehouse, 100 feet long, for the keeping of locomotive supplies, has been built, adjoining the new engine-house at Somerville.

The rebuilding of the Medford station—which was commenced last year—has been completed, and we believe is entirely satisfactory to our patrons in that thriving and beautiful town. It is now one of the most comfortable and convenient stations on the line of the road.

The station at Malden has had considerable repairs, and is much improved.

At Oak Grove a new station has been erected.

The citizens of Melrose have for a long time been dissatisfied with the location of the station at that place, considering it inconvenient and dangerous. To meet their wishes, we have—after careful consideration—purchased, at a cost of thirteen thousand dollars, a strip of land on the opposite side of the track, 320 feet long and 90 feet wide, extending from Emerson Street to Cedar Park Street. The present station has been moved upon the lot and will be remodelled and much improved.

At Ward Hill a neat but small station has been built. A small station called Grove Station has been built on the Kennebunkport Branch.

At Great Falls a new brick station is now being built. It has been much needed for many years. When completed it will be an ornament to the town.

The passenger stations of the Western and Eastern Divisions at Portland have been consolidated, and new waiting-rooms and sheds have been built in connection with the old station of the Eastern Division, which has had extensive repairs.

New car-sheds have been built at Gloucester and Wenham.

The Lowell station has had repairs, and a new freight office has been built.

Repairs have been made on the station at Old Orchard, and the grounds much improved.

Extensive repairs have been made on the Middleton and Cliftdale stations, Rochester freight-house, Salem car shops, Beaver Brook coal pocket, Portsmouth and Wolfboro' Junction coal sheds. A carpenters' shop has been built at Lawrence and the paint shop enlarged.

The stations at The Fells, Wyoming, Melrose, Wakefield, Bradford, Haverhill Bridge, Madbury, Salmon Falls, South Berwick, Ipswich, Portsmouth, Malden, Cliftdale, Pleasant Hills, Saugus, East Saugus, Raddins, Phillips Beach, Beach Bluff, Devereux, Middleton, Beaver Brook and Salisbury Point have been painted.

New turn-tables have been put in at Lowell Junction, Exeter, Lowell, Georgetown, North Conway and Marblehead, and new water-tanks have been erected at Lowell and North Berwick.

Eleven thousand nine hundred rods of fence have been built, of which 6,169 rods were on the Western Division, 4,540 rods on the Eastern Division and 1,263 rods on the Worcester, Nashua and Portland Division.

Sixteen sets of street gates have been built, seven taking the place of old ones, and nine being new.

A new bridge, with draw, has been constructed at Mystic River; also a new iron bridge near Exeter, and a new pile bridge at Milton. New Howe trusses have been built at Dover Point. Large repairs have been made on bridges at Boston, Saugus River, Portsmouth, and the long

bridge near Rochester. The high bridge near Swampscott has been nearly filled, and the Rollins', Paul's, Hill's and Cushing's bridges on Dover Branch filled. A new iron bridge has been built at Portland road, Saco, to avoid a grade crossing. The over-head bridges at Park Street, Portland, Broadway and Washington Avenue, Chelsea, Essex Street, Swampscott, and two at Alton Bay have been rebuilt. Two culverts on the Saugus Branch have been rebuilt, and several others on the P., S. & P. road have been partially or entirely rebuilt. One of the abutments of the bridge on the Western Division at Saco, and also one on the Eastern Division at the same place, have been rebuilt.

Side tracks have been laid at Charlestown, Somerville, Oak Grove, Medford, Melrose, Lynnfield, Lawrence, North Andover, Dover, Rollinsford, North Berwick, Wells, Kennebunk, Everett, Everett Junction, Chelsea, Revere, Salem, Newburyport, Rowley, Cape Elizabeth, Portland, East Boston, Saugus, Faulkner, Peabody, Stevens, Gloucester, Rockport, Amesbury, Gonic, Rochester, New Epping, Nashua, Still River and Wolfboro'—aggregating six and two-thirds miles on the Western Division, four and three-fourths miles on the Eastern Division, and one mile on the Worcester, Nashua and Portland Division.

We have laid during the past year 7,689 tons new steel rails, of which 3,330 tons were on the Western Division, 2,819 tons on the Eastern Division and 1,540 tons on the Worcester, Nashua and Portland Division.

Three thousand four hundred and eighty-seven tons of partly worn steel rails removed from the main lines have

been laid on the branches, of which 1,853 tons were on the Western Division and 1,634 tons on the Eastern Division ; and 740 tons old iron rails have been laid in side tracks.

There have been laid the past year 408,398 ties, of which 126,399 were on the Western Division, 234,387 on the Eastern Division and 47,612 on the Worcester, Nashua and Portland Division.

The South Reading Branch has been almost entirely re-laid with steel rails, and the yard at Portland entirely remodelled and much new track laid with steel.

The requirements of our increasing business (principally freight) have made necessary the purchase of a large amount of land at Chelsea, Melrose, Salem, Peabody, Haverhill, Great Falls, Saco and Portland at a cost of \$161,306.

During the last session of the Massachusetts Legislature an Act was passed authorizing this Company and the Eastern Railroad, or the said corporations and any other railroad corporations whose roads enter the City of Boston on the northerly side, to unite in constructing a Union Station, and to re-arrange their tracks in such a manner as shall avoid as far as practicable the crossings of their several roads with each other at grade. This matter of grade crossings has had the consideration of your Directors for many years. At your meeting in December, 1881, the matter was brought to your attention, and you, by your votes, authorized the Directors to apply to the Legislature for power to construct one or more tracks on a raised grade from Mystic River to Boston, and authorized the issuing of bonds to pay for the same. An application was made to the Legislature at the next session for authority to con-

struct an elevated road between the limits named above, but it was opposed by the other roads on the northerly side of the city, and failed of becoming a law.

The union of our road with the Eastern under the lease has, however, changed to some extent the condition of affairs. The entirely inadequate facilities in this city for doing our increasing passenger business make it imperative that the matter shall be no longer delayed.

We would therefore ask that you authorize your Directors to make such arrangements with the Eastern Railroad Company, and with such other roads which enter the city on the northerly side, as may be deemed advisable, to erect a Union Station, and make such changes in the crossings at Charlestown and Somerville as may be practicable, and that you authorize the issuing of Improvement Bonds for that purpose, and the other requirements of the lease of the Eastern Railroad.

The stockholders will remember that at a special meeting called for that purpose, and held at Lawrence, Dec. 9, 1885, the leases to this Company of the Worcester, Nashua and Rochester, and the Portland and Rochester Railroads, previously agreed to by the Directors, were submitted to them for approval, and were both duly approved. The lease of the Worcester, Nashua and Rochester was to take effect January 1st, 1886. Before possession was taken under it; suit was brought in Massachusetts nominally by a stockholder of the Boston and Maine Railroad, and in New Hampshire nominally by stockholders of the Eastern Railroad Company, to enjoin any proceedings under the lease — the claim being in both suits that

the contracting corporations had no power to make the lease. It was deemed desirable to put the validity of the lease beyond all possibility of controversy in the shortest possible time. Accordingly an Act of the Legislature of Massachusetts, approved March 22, 1886, was procured, authorizing and confirming the lease, and immediately thereafter possession was taken under it. As respects the lease of the Portland and Rochester Railroad, the stockholders of that company have not, as yet, finally passed upon the question of approving the lease. Practically this company suffers no inconvenience, because the control of the road is already substantially in its hands through its ownership of the stock. And on several grounds, which it is unnecessary to go into in detail, it has seemed prudent to your Directors to take time to consider whether there are not substantial advantages in permitting the Portland and Rochester Railroad to continue to control and operate its road as an independent organization.

Your Directors have seen no reason to change their minds with regard to the wisdom of the lease of the Worcester, Nashua and Rochester Railroad. We did not take possession of the road until April 1st, for reasons named above, although the road was operated for our account from January 1st. The time has been too short to show what it is capable of doing, but your Directors feel confident that it will prove no burden to the other parts of our system. We append to this report a copy of the lease of the Worcester, Nashua and Rochester Railroad Company.

For detailed information as to the financial operations of your road the past year, we refer you to the report of the Auditor, annexed.

In closing this report, we wish to express our sense of the great loss which this corporation has met with in the death of our associate Nathaniel G. White, who died at his summer residence, at Little Boar's Head, Sept. 12th.

Mr. White was connected with this corporation as a Director for twenty-four years, ten of which he served as President. He was ever devoted to the interests entrusted to his charge, and the duties of his office were always faithfully performed.

His noble qualities of mind and heart endeared him personally to his associates and won the respect and esteem of all who knew him.

At the meetings of our Board his cheerful presence and valuable counsel will long be missed.

By order of the Board of Directors.

GEORGE C. LORD, *President.*

REPORT OF THE AUDITOR.

BOSTON AND MAINE RAILROAD,
ACCOUNTING DEPARTMENT,
BOSTON, NOV. 10, 1886.

To the President and Directors of the Boston and Maine Railroad:

GENTLEMEN,—I herewith hand you statements showing in detail the results of the operation of the Boston and Maine Railroad for the fiscal year ending Sept. 30, 1886. The cash on hand as stated on balance sheet was verified by me, and found to be correct.

No. 1. Statement of Earnings, Expenses and Disposition of Net Earnings for the year.

No. 2. Profit and Loss Account.

No. 3. General Balance Sheet.

No. 4. Gross Earnings, Operating Expenses, and Net Earnings, by months.

No. 5. Gross Earnings in detail.

No. 6. Operating Expenses in detail.

No. 7. Mileage and Traffic Statistics.

No. 8. Description of Road.

No. 9. Description of Rolling Stock.

No. 10. Steel Rails in Track.

All of which are respectfully submitted.

WILLIAM J. HOBBS,
Auditor.

No. 1.

EARNINGS, EXPENSES, AND DISPOSITION OF NET EARNINGS,
FOR THE YEAR ENDING SEPT. 30, 1886.

| EARNINGS. | Per Cent. | Earnings. |
|----------------------------------------|-----------|----------------|
| Passengers..... | 53.559 | \$4,040,286 41 |
| Extra Baggage and Storage..... | .231 | 17,430 40 |
| Expresses..... | 2.266 | 170,950 84 |
| Mails..... | 1.265 | 95,448 66 |
| Total Passenger Department..... | 57.321 | 4,324,116 31 |
| Freight..... | 38.837 | 2,929,766 07 |
| Total Transportation Earnings..... | 96.158 | 7,253,882 38 |
| Rents of Tenements, Land, etc..... | 1.098 | 82,828 47 |
| Income from Investments..... | 2.029 | 153,031 48 |
| Income from Use of Road..... | .297 | 22,403 79 |
| Income from Coal Hoisting Engines..... | .156 | 11,784 90 |
| Miscellaneous Income..... | .262 | 19,760 28 |
| Gross Earnings..... | 100. | \$7,543,691 30 |

OPERATING EXPENSES.

| | | |
|-------------------------------------------------|-------------|--------------|
| <i>GENERAL EXPENSES OF OFFICE AND PROPERTY.</i> | | |
| Salaries, Office and General Expenses..... | \$78,936 81 | |
| Legal Expenses..... | 31,241 70 | |
| Insurance and Fire Losses..... | 29,458 30 | |
| Tenement Expenses..... | 21,266 24 | |
| Eastern Transfer Expenses..... | 1,637 92 | |
| | | \$162,540 97 |
| <i>GENERAL EXPENSES OF TRANSPORTATION.</i> | | |
| Injuries and Damages..... | \$46,395 70 | |
| Telegraph Expenses..... | 48,744 18 | |
| Crossing Expenses..... | 114,883 14 | |
| Drawbridge and Signal Expenses..... | 48,930 79 | |
| Switchmen and Station Watchmen..... | 86,024 59 | |
| Removing Ice and Snow..... | 18,211 91 | |
| | | 363,190 31 |
| <i>PASSENGER TRANSPORTATION EXPENSES.</i> | | |
| Superintendence and General Expense..... | \$52,250 18 | |
| Advertising..... | 28,027 38 | |
| Passenger-Train Expenses..... | 241,216 72 | |
| Passenger-Station Expenses..... | 227,762 90 | |
| Mileage of Passenger Cars..... | 7,995 84 | |
| | | 557,253 02 |
| <i>FREIGHT TRANSPORTATION EXPENSES.</i> | | |
| Superintendence and General Expense..... | \$37,749 33 | |
| Freight-Train Expenses..... | 226,459 84 | |
| Freight-Station Expenses..... | 319,795 38 | |
| Mileage of Freight Cars..... | 67,838 49 | |
| | | 651,843 04 |
| <i>MOTIVE-POWER EXPENSES.</i> | | |
| Superintendence and General Expense..... | \$46,710 17 | |
| Repairs of Tools and Machinery..... | 20,127 60 | |
| Repairs of Locomotives..... | 185,434 99 | |
| New Locomotives..... | 83,170 19 | |
| Water Supply..... | 37,661 65 | |
| Locomotive Expense..... | 382,466 63 | |
| Fuel for Locomotives..... | 468,943 24 | |
| | | 1,224,514 47 |

EARNINGS, EXPENSES, ETC.—*Concluded.*

| <i>MAINTENANCE OF CARS.</i> | | |
|-----------------------------------------------------------------------------------------|--------------|----------------|
| Superintendence and General Expense | \$10,335 60 | |
| Repairs of Tools and Machinery | 15,686 64 | |
| Repairs of Passenger, Baggage, Mail and Express Cars | 142,980 69 | |
| New Passenger, Baggage, Mail and Express Cars.. | 74,120 17 | |
| Repairs of Pullman Cars | 3,010 16 | |
| Repairs of Freight Cars | 143,135 46 | |
| New Freight Cars | 33,020 38 | |
| Repairs of Construction and Tool Cars | 4,100 13 | |
| Repairs of Snow-Ploughs | 1,199 51 | |
| Oiling, Cleaning and Inspecting Cars | 48,899 47 | |
| | | \$476,488 21 |
| <i>MAINTENANCE OF WAY AND BUILDINGS.</i> | | |
| Superintendence and General Expense | \$20,862 27 | |
| Maintenance of Road-Bed and Track | 468,793 23 | |
| Steel Rails laid | 108,270 89 | |
| Iron Rails laid | 5,002 20 | |
| Ties laid | 128,131 16 | |
| Maintenance of Bridges | 151,105 57 | |
| Maintenance of Buildings and Structures | 176,167 12 | 1,058,332 44 |
| Total Operating Expenses (59.58 per cent) | | \$4,494,162 46 |
| Taxes | \$259,247 38 | |
| *Interest on Improvement Bonds | 34,493 77 | |
| *Sinking Fund for Redemption of Improvement Bonds | 13,890 00 | 307,631,15 |
| Total Operating Expenses, Taxes, etc. (63.65 per cent) | | \$4,801,793 61 |
| Net Earnings (36.35 per cent) | | \$2,741,897 69 |
| <i>INTEREST.</i> | | |
| Interest on Funded Debt | \$245,000 00 | |
| Interest on other Debt, less Interest Received | 10,439 94 | |
| | | \$255,439 94 |
| <i>RENT OF OTHER ROADS.</i> | | |
| Eastern Railroad | \$872,037 31 | |
| Worcester, N. and Roch. R.R. (9 m'nths) .. | 187,500 00 | |
| Portland, Saco and Portsmouth R.R. ... | 90,300 00 | |
| Portsmouth, Gt. Falls and Conway R.R. ... | 45,275 00 | |
| Portsmouth and Dover R.R. | 46,140 00 | |
| Lowell and Andover R.R. | 52,500 00 | |
| Dover and Winnipiseogee R.R. | 29,000 00 | |
| Eastern R.R. in New Hampshire | 22,500 00 | |
| Newburyport City R.R. | 6,000 00 | |
| West Amesbury Branch R.R. | 5,700 00 | |
| Wolfeborough R.R. | 2,240 00 | |
| Kennebunk and Kennebunkport R.R. | 2,925 00 | |
| Boston and Albany R.R. | 3,000 00 | |
| | 1,365,117 31 | |
| Total Fixed Charges | | \$1,620,557 25 |
| Surplus of Net Earnings over Fixed Charges. | | \$1,121,340 44 |
| Less amount due Eastern Railroad Company, being their proportion of above surplus | | 421,340 44 |
| Surplus available for dividends | | \$700,000 00 |
| Less dividend of 4½ per cent paid May 15, 1886 .. | \$315,000 00 | |
| Less dividend of 5 per cent declared payable Nov. 15, 1886 | 350,000 00 | 665,000 00 |
| Surplus for the year in excess of dividends | | \$35,000 00 |

* Charged in Expenses, in accordance with terms of lease of Eastern Railroad.

| No. 2. | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------|
| DR. | PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING SEPT. 30, 1886. | CR. |
| To Operating Expenses, Taxes, etc., for the year..... | \$4,801,793 61 | By Balance Sept. 30, 1885 |
| " Interest accrued for the year..... | 255,439 94 | " Gross Earnings for the year..... |
| " Rent of Leased Roads for the year..... | 1,365,117 31 | |
| " Eastern Railroad proportion of surplus for the year, paid as additional rent..... | 421,340 44 | |
| " Difference between amount received from sale of 70,000 shares Capital Stock and the par value of same, the difference being charged off, that the true liability may be shown..... | 78,725 48 | |
| " Old account transferred..... | 10,909 44 | |
| " Dividend paid Nov. 16, 1885..... | 280,000 00 | |
| " Dividend paid May 15, 1886..... | 315,000 00 | |
| " Balance..... | 1,847,549 13 | |
| | <u>\$9,375,875 35</u> | <u>\$9,375,875 35</u> |
| | | Balance to next year's account..... |
| | | <u>\$1,847,549 13</u> |


No. 3.

GENERAL BALANCE SHEET, SEPT. 30, 1886.

RESOURCES.

| | | |
|-------------------------------------------------------|----------------|-----------------|
| CONSTRUCTION. | | |
| Grading and Masonry..... | \$2,713,882 12 | |
| Bridges..... | 952,344 95 | |
| Superstructure and Rails..... | 1,924,807 33 | |
| Passenger and Freight Stations, etc..... | 771,405 33 | |
| Engine-Houses, Car-Sheds and Turn-Tables..... | 164,713 98 | |
| Shops, Machinery and Tools..... | 133,283 50 | |
| Land, Land Damage and Fences..... | 2,512,997 59 | |
| Engineering and General Expenses..... | 365,474 39 | |
| Interest and Discount..... | 82,028 44 | |
| Total Construction | | \$9,620,937 63 |
| EQUIPMENT. | | |
| Locomotives..... | \$401,000 00 | |
| Snow-Ploughs on Wheels..... | 7,000 00 | |
| Passenger, Baggage, Mail and Express Cars | 400,475 00 | |
| Freight and other Cars..... | 499,705 00 | |
| Total Equipment | | 1,308,180 00 |
| Total Construction and Equipment | | \$10,929,117 63 |
| INVESTMENTS. | | |
| Real Estate in Dover, Old Orchard and Portland... | \$52,632 21 | |
| Dover and Winnipiseogee R.R. Stock..... | 263,144 48 | |
| Danvers R.R. Bonds and Account | 152,430 00 | |
| Newburyport R.R. Stock and Bonds..... | 302,493 95 | |
| Portland and Rochester R.R. Stock..... | 239,540 56 | |
| Orchard Beach R.R. Stock..... | 49,624 89 | |
| Essex R.R. Mortgage Bonds | 42,100 00 | |
| Steamer Mt. Washington and Wharves..... | 69,260 24 | |
| Total Investments..... | | 1,171,226 33 |
| CASH ASSETS. | | |
| Cash | \$215,020 45 | |
| Bills Receivable..... | 96,755 41 | |
| Trustees of Sinking Fund..... | 55,720 08 | |
| Materials and Supplies on hand..... | 808,156 64 | |
| Due from Agents and Conductors | 228,574 08 | |
| Due from Railroads and Others | 249,148 87 | |
| Total Cash Assets | | 1,653,375 53 |
| SUNDRY ITEMS. | | |
| Improvement Account..... | \$958,053 92 | |
| Improvement Account, Eastern R.R..... | 478,374 77 | |
| Portland Improvement Account | 20,215 93 | |
| Lowell and Andover R.R. Betterments..... | 117,358 92 | |
| Dover and Winnipiseogee R.R. Improvement Account..... | 28,606 99 | |
| Insurance Premiums Paid..... | 4,081 00 | |
| | | 1,606,691 53 |
| TOTAL | | \$15,360,411 02 |

No. 3.
GENERAL BALANCE SHEET—*Concluded.*
LIABILITIES.

| | | |
|------------------------------------------------------------------------------------|----------------|-----------------|
| Capital Stock, 70,000 Shares | | \$7,000,000 00 |
| Bonds due January 1, 1893, 7 per cent | \$1,500,000 00 | |
| Bonds due January 1, 1894, 7 per cent | 2,000,000 00 | |
| Improvement Bonds, 4 per cent | 926,000 00 | |
| Total Funded Debt | | 4,426,000 00 |
| Notes Payable | \$300,000 00 | |
| Current Bills* | 380,693 88 | |
| Rents of Leased Roads Accrued, Unpaid† | 649,423 36 | |
| Interest Accrued, not yet due | 70,755 09 | |
| Bond Interest uncalled for | 9,327 50 | |
| Dividends uncalled for | 13,237 00 | |
| Current Traffic Balances due Railroads and Others* | 437,464 65 | |
| Eastern R.R. Lease Account | 170,240 33 | |
| Sinking Fund for Redemption of Improvement Bonds | 55,720 08 | |
| | | 2,086,861 89 |
| Profit and Loss—Surplus | | 1,847,549 13 |
|  | | |
| | | |
| TOTAL! | | \$15,360,411 02 |

* NOTE.—The books show, at the end of each month, the total liability for that month, for materials purchased, wages due employes, and balances due connecting roads, all of which are settled before the close of the following month.

† Includes Eastern Railroad proportion of surplus for the year, \$421,340.44.

No. 4.

GROSS EARNINGS, OPERATING EXPENSES, AND NET EARNINGS,
BY MONTHS, FOR THE YEAR ENDING SEPT. 30, 1886.

| MONTHS. | Gross Earnings. | Operating Expenses, Taxes, etc. | Net Earnings. |
|------------------|-----------------|------------------------------------|----------------|
| October, 1885... | \$626,306 46 | \$376,845 43 | \$249,461 03 |
| November | 531,743 92 | 334,361 74 | 197,382 18 |
| December | 513,826 81 | 343,731 27 | 170,095 54 |
| January, 1886... | 507,603 35 | 344,174 13 | 163,429 22 |
| February | 520,285 67 | 330,220 14 | 190,065 53 |
| March..... | 574,788 47 | 346,060 06 | 228,728 41 |
| April..... | 614,787 79 | 385,413 30 | 229,374 49 |
| May..... | 619,208 59 | 422,040 88 | 197,167 71 |
| June..... | 643,529 29 | 496,905 96 | 146,623 33 |
| July..... | 773,851 79 | 450,872 36 | 322,979 43 |
| August..... | 854,242 65 | 503,057 97 | 351,184 68 |
| September..... | 763,516 51 | 468,110 37 | 295,406 14 |
| Total..... | \$7,543,691 30 | \$4,801,793 61 | \$2,741,897 69 |

No. 5.
GROSS EARNINGS FROM ALL SOURCES FOR THE YEAR ENDING SEPT. 30, 1886.

| MONTHS. | Passengers. | Extra Baggage and Storage. | Express. | Mails. | Total Passenger Department. | Freight. | Total Transporta- tion Earnings. | Income from Property and Rents. | Income from Use of Road. | Miscella- neous Income. | Total Earnings from all Sources. |
|--------------|--------------|-------------------------------------|-------------|------------|-----------------------------------|--------------|-------------------------------------------|------------------------------------------|-----------------------------------|-------------------------------|-------------------------------------------|
| 1885. | | | | | | | | | | | |
| October | \$334,073 52 | \$1,907 05 | \$13,039 33 | \$7,479 94 | \$356,499 84 | \$250,036 81 | \$606,536 65 | \$14,193 98 | \$2,009 01 | \$3,566 82 | \$626,306 46 |
| November .. | 282,548 45 | 1,495 19 | 12,330 18 | 6,328 79 | 302,702 61 | 218,921 52 | 521,024 13 | 6,455 29 | 1,841 10 | 1,823 40 | 531,743 92 |
| December .. | 274,579 64 | 1,221 96 | 12,639 96 | 7,249 72 | 295,691 28 | 207,134 14 | 502,825 42 | 6,327 31 | 1,942 65 | 2,731 43 | 513,826 81 |
| 1886. | | | | | | | | | | | |
| January | 253,751 62 | 919 21 | 11,927 05 | 8,252 26 | 274,850 14 | 214,116 77 | 488,966 91 | 16,234 24 | 1,522 24 | 879 96 | 507,603 35 |
| February.... | 241,075 22 | 1,054 39 | 11,408 50 | 8,252 18 | 261,790 29 | 195,024 57 | 456,814 86 | 60,515 03 | 1,717 66 | 1,238 12 | 520,285 67 |
| March..... | 286,252 84 | 1,536 42 | 13,041 68 | 8,252 25 | 309,083 19 | 254,088 67 | 563,171 86 | 8,136 20 | 1,642 99 | 1,837 42 | 574,788 47 |
| April..... | 315,419 92 | 1,355 05 | 13,932 08 | 8,272 25 | 338,979 30 | 255,989 36 | 594,968 66 | 14,827 39 | 1,630 83 | 3,360 91 | 614,787 79 |
| May..... | 320,162 46 | 1,384 99 | 14,936 24 | 8,272 25 | 344,755 94 | 263,519 29 | 608,275 23 | 6,973 33 | 1,734 88 | 2,225 15 | 619,208 59 |
| June..... | 334,179 63 | 1,214 73 | 17,227 21 | 8,272 26 | 360,893 83 | 269,737 50 | 630,031 33 | 7,756 96 | 2,070 02 | 3,070 98 | 643,529 29 |
| July..... | 458,298 92 | 1,326 86 | 16,620 74 | 8,272 25 | 484,518 77 | 261,738 78 | 746,257 55 | 21,908 43 | 1,837 23 | 3,848 58 | 773,851 79 |
| August..... | 495,399 63 | 1,597 29 | 17,067 43 | 8,272 25 | 522,336 60 | 264,416 88 | 786,753 48 | 61,780 63 | 2,080 21 | 3,628 33 | 854,242 65 |
| September.. | 444,544 56 | 2,417 26 | 16,780 44 | 8,272 26 | 472,014 52 | 275,041 78 | 747,056 30 | 10,751 16 | 2,374 97 | 3,334 08 | 763,516 51 |
| TOTAL..... | 4,040,286 41 | 17,430 40 | 170,950 84 | 95,448 66 | 4,324,116 31 | 2,929,766 07 | 7,253,882 38 | 235,859 95 | 22,403 79 | 31,545 18 | 7,543,691 30 |

No. 6.

OPERATING EXPENSES IN DETAIL FOR THE YEAR ENDING
SEPT. 30, 1886.

GENERAL EXPENSES OF OFFICE AND PROPERTY.

| | | |
|-----------------------------------------------------|-------------|--------------|
| Salaries of General Officers and Clerks..... | \$49,292 42 | |
| General Office Expenses | 5,538 81 | |
| Expenses of Directors and Pay Cars | 3,379 43 | |
| Stationery, Printing and Advertising for Office.... | 5,194 55 | |
| Contingent Expenses..... | 15,531 60 | |
| | | \$78,936 81 |
| Legal Expenses | | 31,241 70 |
| Insurance Premiums..... | \$21,484 08 | |
| Protection against Fire..... | 1,074 56 | |
| Fires Set by Locomotives..... | 6,618 75 | |
| Miscellaneous Fire Losses..... | 280 91 | |
| | | 29,458 30 |
| Tenement Expenses | | 21,266 24 |
| Eastern Transfer Expenses | | 1,637 92 |
| Total General Expenses of Office and Property... | | \$162,540 97 |

GENERAL EXPENSES OF TRANSPORTATION.

| | | |
|---------------------------------------------------------------|--------------|--------------|
| Injuries and Damages to Employés..... | \$2,470 06 | |
| Injuries and Damages to Live Stock..... | 826 93 | |
| Injuries and Damages to Passengers..... | 40,167 67 | |
| Injuries and Damages to Property, Trespassers and Others..... | 2,931 04 | |
| | | \$46,395 70 |
| Telegraph Expenses, Salaries and Wages..... | \$43,030 82 | |
| Telegraph Expenses, Supplies, etc..... | 900 94 | |
| Telegraph Expenses, Stationery and Printing..... | 870 69 | |
| Repairs of Telegraph Line..... | 1,047 27 | |
| Telephone Expenses..... | 2,894 46 | |
| | | 48,744 18 |
| Wages of Crossing-Tenders..... | \$112,367 05 | |
| Fuel and Supplies for Crossings..... | 2,516 09 | |
| | | 114,883 14 |
| Wages of Draw-Tenders..... | \$23,589 76 | |
| Fuel and Supplies for Drawbridges..... | 711 26 | |
| | | 24,301 02 |
| Wages of Signal-Men..... | \$19,708 92 | |
| Fuel and Supplies for Signal-Men..... | 1,395 35 | |
| | | 21,104 27 |
| Automatic and Electric Signals | | 3,525 50 |
| Wages of Switchmen..... | \$52,057 45 | |
| Fuel and Supplies for Switchmen..... | 1,675 04 | |
| | | 53,732 49 |
| Wages of Station-Watchmen..... | \$32,034 31 | |
| Supplies for Station-Watchmen | 257 79 | |
| | | 32,292 10 |
| Removing Ice and Snow, Labor and Supplies | \$17,317 71 | |
| Removing Ice and Snow, Locomotive Use | 894 20 | |
| | | 18,211 91 |
| Total General Expenses of Transportation..... | | \$363,190 31 |

PASSENGER TRANSPORTATION EXPENSES.

| | | |
|----------------------------------------------------------------|--------------|--------------|
| General Superintendence and Clerks..... | \$25,594 59 | |
| General Office Expenses | 1,126 10 | |
| Stationery and Printing..... | 3,786 77 | |
| Tickets and Baggage Checks..... | 19,454 60 | |
| Contingent Expenses | 1,555 53 | |
| Loss and Damage of Baggage..... | 732 59 | |
| | | \$52,250 18 |
| Regular Advertising..... | \$13,135 40 | |
| Special Advertising..... | 10,929 84 | |
| Outside Agencies..... | 3,962 14 | |
| | | 28,027 38 |
| Supervision and General Expense, Passenger Trains.. | \$3,221 97 | |
| Wages of Conductors and Trainmen..... | 179,859 08 | |
| Wages of Shifters and Yardmen..... | 13,858 97 | |
| Heating and Lighting Passenger Trains..... | 24,630 14 | |
| Lubricating Oil, Waste and Tallow for Passenger Trains..... | 8,154 39 | |
| Stationery and Printing for Passenger Trains..... | 2,644 99 | |
| Miscellaneous Supplies and Expenses, Passenger Trains..... | 8,375 61 | |
| Wrecking Expenses | 471 57 | |
| | | 241,216 72 |
| Agents and Station Labor..... | \$161,644 48 | |
| Water, Heating and Lighting, Passenger Stations... | 47,269 24 | |
| Stationery and Printing for Passenger Stations.... | 3,558 51 | |
| Furniture and Miscellaneous Supplies, Passenger Stations | 6,229 35 | |
| Miscellaneous Expenses of Passenger Stations..... | 9,061 32 | |
| | | 227,762 90 |
| Mileage of Pullman Cars..... | | 7,995 84 |
| Total Passenger Transportation Expenses | | \$557,253 02 |

FREIGHT TRANSPORTATION EXPENSES.

| | | |
|-----------------------------------------------------------|--------------|--------------|
| General Superintendence and Clerks..... | \$27,165 07 | |
| General Office Expenses | 989 03 | |
| Stationery and Printing..... | 1,129 16 | |
| Advertising Freight Business | 122 51 | |
| Line Expenses | 62 50 | |
| Loss and Damage of Freight..... | 5,921 68 | |
| Contingent Expenses..... | 2,359 38 | |
| | | \$37,749 33 |
| Supervision and General Expense, Freight Trains.. | \$12,074 90 | |
| Wages of Conductors and Trainmen..... | 124,207 10 | |
| Wages of Shifters and Yardmen..... | 74,209 41 | |
| Heating and Lighting Freight Trains..... | 2,450 02 | |
| Lubricating Oil, Waste and Tallow for Freight Trains..... | 5,017 16 | |
| Stationery and Printing for Freight Trains | 1,656 07 | |
| Miscellaneous Supplies and Expenses, Freight Trains..... | 5,130 86 | |
| Wrecking Expenses | 1,714 32 | |
| | | 226,459 84 |
| Agents and Station Labor..... | \$291,391 62 | |
| Water, Heating and Lighting, Freight Stations.... | 5,122 76 | |
| Stationery and Printing for " " | 10,515 33 | |
| Miscellaneous Supplies for " " | 1,991 28 | |
| Miscellaneous Expenses of " " | 10,774 39 | |
| | | 319,795 38 |
| Mileage of Freight Cars | | 67,838 49 |
| Total Freight Transportation Expenses..... | | \$651,843 04 |

MOTIVE POWER EXPENSES.

| | | |
|----------------------------------------------------------|--------------|-----------------------|
| Superintendence and Clerks..... | \$13,485 52 | |
| Office and Miscellaneous Supplies and Expenses.... | 187 61 | |
| Stationery and Printing..... | 365 30 | |
| Engine-House Labor and Expenses..... | 11,232 79 | |
| Watching Expenses | 21,438 95 | |
| | | \$46,710 17 |
| Repairs of Tools and Machinery..... | | 20,127 60 |
| Repairs of Locomotives..... | | 185,434 99 |
| New Locomotives | | 83,170 19 |
| Water Supply..... | | 37,661 65 |
| Wages of Passenger Enginemen and Firemen..... | \$184,153 05 | |
| Wages of Passenger Switching Enginemen and Firemen | 10,053 75 | |
| Wages of Freight Enginemen and Firemen..... | 90,812 13 | |
| Wages of Freight Switching Enginemen and Firemen | 39,290 82 | |
| | | 324,309 75 |
| Cleaning Passenger Engines | \$21,622 59 | |
| Cleaning Freight Engines..... | 14,566 61 | |
| | | 36,189 20 |
| Head-Light and Illuminating Oil | \$1,270 01 | |
| Lubricating Oil, Waste and Tallow | 16,937 02 | |
| Lanterns, Tools and Small Stores..... | 3,760 65 | |
| | | 21,967 68 |
| Fuel for Passenger Locomotives | \$266,653 71 | |
| Fuel for Passenger Switching Locomotives..... | 14,343 89 | |
| Fuel for Freight Locomotives..... | 130,397 89 | |
| Fuel for Freight Switching Locomotives..... | 57,547 75 | |
| | | 468,943 24 |
| Total Motive Power Expenses | | <u>\$1,224,514 47</u> |

MAINTENANCE OF CARS.

| | | |
|----------------------------------------------------|--------------|---------------------|
| Superintendence and Clerks | \$5,802 44 | |
| Office and Miscellaneous Supplies and Expenses.... | 165 40 | |
| Stationery and Printing..... | 351 61 | |
| Watching Expenses | 4,016 15 | |
| | | \$10,335 60 |
| Repairs of Tools and Machinery..... | | 15,686 64 |
| Painting and Varnishing Passenger Cars..... | \$39,554 19 | |
| General Repairs of " " | 103,426 50 | |
| | | 142,980 69 |
| New Passenger, Baggage, Mail and Express Cars.. | | 74,120 17 |
| Painting and Varnishing Pullman Cars..... | \$1,756 97 | |
| General Repairs of " " | 1,253 19 | |
| | | 3,010 16 |
| General Repairs of Local Freight Cars..... | \$130,459 45 | |
| General Repairs of Foreign Freight Cars | 12,676 01 | |
| | | 143,135 46 |
| New Freight Cars | | 33,020 38 |
| Repairs of Boarding and Tool Cars..... | \$1,338 42 | |
| Repairs of Gravel Cars | 2,761 71 | |
| | | 4,100 13 |
| Repairs of Snow-Ploughs..... | | 1,199 51 |
| Oiling, Cleaning and Inspecting Passenger Cars.... | \$38,096 72 | |
| Oiling, Cleaning and Inspecting Freight Cars..... | 10,802 75 | |
| | | 48,899 47 |
| Total Maintenance of Cars..... | | <u>\$476,488 21</u> |

MAINTENANCE OF WAY AND BUILDINGS.

| | | | |
|--------------------------------------------------------------|-----------|----|----------------|
| Superintendence and Clerks..... | \$11,891 | 97 | |
| Office and Miscellaneous Supplies and Expenses.... | 1,117 | 51 | |
| Stationery and Printing..... | 699 | 19 | |
| Engineering..... | 4,995 | 86 | |
| Watching Expenses | 2,157 | 74 | |
| | | | \$20,862 27 |
| General Repairs of Track, Labor..... | \$251,884 | 47 | |
| General Repairs of Track, Material..... | 3,053 | 09 | |
| Working Trains and Extra Crews..... | 106,317 | 11 | |
| Joint Fastenings | 25,219 | 28 | |
| Frogs and Switches | 33,012 | 38 | |
| Track Spikes..... | 7,549 | 09 | |
| Hand-Cars and Tools..... | 9,382 | 25 | |
| Road Crossings | 16,464 | 92 | |
| Signs and Mile Posts..... | 1,063 | 03 | |
| Fencing..... | 14,847 | 61 | |
| | | | 468,793 23 |
| Steel Rails laid..... | \$108,270 | 89 | |
| Iron Rails laid | 5,002 | 20 | |
| | | | 113,273 09 |
| Cross Ties laid..... | \$119,066 | 78 | |
| Switch Ties laid..... | 9,064 | 38 | |
| | | | 128,131 16 |
| Bridges and Culverts..... | \$117,085 | 36 | |
| Overhead Bridges | 23,341 | 48 | |
| New Bridges..... | 10,678 | 73 | |
| | | | 151,105 57 |
| Shops and Storehouses | \$25,449 | 35 | |
| Tools and Machinery | 8,740 | 20 | |
| Car-Houses | 1,933 | 00 | |
| Engine-Houses and Turn-Tables..... | 22,325 | 03 | |
| Water-Tanks and Pumping Machinery | 9,380 | 13 | |
| Coal and Wood Sheds and Fixtures..... | 8,929 | 40 | |
| Station Buildings and Grounds..... | 89,191 | 55 | |
| Mast Signals, Signal and Section Houses | 4,190 | 97 | |
| Docks and Wharves | 5,449 | 09 | |
| Real Estate, land leased..... | 480 | 20 | |
| Furniture and Fixtures for Construction Cars..... | 148 | 20 | |
| | | | 176,167 12 |
| Total Maintenance of Way and Buildings..... | | | \$1,058,332 44 |
| Total Operating Expenses (59.58 per cent.)..... | | | \$4,494,162 46 |
| Taxes | \$259,247 | 38 | |
| Interest on Improvement Bonds..... | 34,493 | 77 | |
| Sinking Fund for Redemption of Improvement Bonds | 13,890 | 00 | |
| | | | 307,631 15 |
| Total Operating Expenses, Taxes, etc. (63.65 per cent.)..... | | | \$4,801,793 61 |

No. 7.

MILEAGE AND TRAFFIC STATISTICS.

| | |
|---------------------------------------|-----------|
| Miles run by Passenger Trains..... | 3,084,970 |
| Miles run by Freight Trains..... | 1,507,212 |
| Miles run in Passenger Switching..... | 167,502 |
| Miles run in Freight Switching..... | 656,573 |
| Miles run by Working Trains..... | 181,235 |

| | |
|----------------------------------------------------------------------|-----------|
| Total Train Miles..... | 5,597,492 |
| Average Gross Earnings per Revenue Train Mile..... | \$1 64 |
| Average Operating Expenses per Revenue Train Mile..... | 98 |
| Average Operating Expenses, Taxes, etc., per Revenue Train Mile..... | 1 04 |
| Average Net Earnings per Revenue Train Mile..... | 60 |
| Average Gross Earnings per Total Train Mile..... | 1 35 |
| Average Operating Expenses per Total Train Mile..... | 80 |
| Average Operating Expenses, Taxes, etc., per Total Train Mile... | 86 |
| Average Net Earnings per Total Train Mile..... | 49 |

PASSENGER TRAFFIC.

| | |
|-----------------------------------------------------------------------|----------------------------|
| Number of season-ticket passengers carried..... | 2,509,157 |
| Number of local passengers carried (including season)..... | 16,325,621 |
| Number of foreign passengers carried..... | 696,960 |
| Total number of passengers carried..... | 17,022,581 |
| Number of local passengers carried one mile (including season)... | 190,847,777 |
| Number of foreign passengers carried one mile..... | 33,375,514 |
| Total number of passengers carried one mile..... | 224,223,291 |
| Number of passengers to Boston (including season)..... | 5,496,045 |
| Number of passengers from Boston (including season)..... | 5,511,934 |
| Number of season-ticket passengers to and from Boston..... | 1,589,394 |
| Average distance travelled per passenger..... | 13 $\frac{17}{100}$ miles. |
| Average rate of fare per mile received from season-ticket passengers, | 0 $\frac{731}{100}$ cent. |
| Average rate of fare per mile received from local passengers (in- | 1 $\frac{822}{100}$ cents. |
| cluding season)..... | |
| Average rate of fare per mile received from local passengers (not | 2 $\frac{140}{100}$ cents. |
| including season)..... | |
| Average rate of fare per mile received from foreign passengers... | 1 $\frac{687}{100}$ cents. |
| Average rate of fare per mile received from all passengers..... | 1 $\frac{802}{100}$ cents. |

FREIGHT TRAFFIC.

| | |
|----------------------------------------------------------------|----------------------------|
| Number of tons of local freight carried..... | 1,869,032 |
| Number of tons of foreign freight carried..... | 834,169 |
| Total number of tons of freight carried..... | 2,703,201 |
| Tons of local freight carried one mile..... | 74,820,383 |
| Tons of foreign freight carried one mile..... | 54,305,488 |
| Total tons of freight carried one mile..... | 129,125,871 |
| Average length of haul per ton of freight..... | 47 $\frac{77}{100}$ miles. |
| Average rate per ton per mile received on local freight..... | 2 $\frac{782}{100}$ cents. |
| Average rate per ton per mile received on foreign freight..... | 1 $\frac{562}{100}$ cents. |
| Average rate per ton per mile received on all freight..... | 2 $\frac{269}{100}$ cents. |

No. 8.

DESCRIPTION OF ROAD.

| <i>Main Line.</i> | Miles Owned. | Miles Leased. | Total Miles Operated |
|--------------------------------------------------------------------------------------|-----------------|------------------|----------------------------|
| Boston, Mass., to Portland, Maine..... | 115.50 | | 115.50 |
| Boston to New Hampshire State Line—Eastern Railroad. | | 41.45 | |
| New Hampshire State Line to Maine State Line —Eastern Railroad in N. H. | | 16.08 | |
| Maine State Line to Portland—Portland, Saco and Portsmouth Railroad. | | 50.76 | |
| Total Miles Boston to Portland—Eastern Di- vision. | | | 108.29 |
| Conway Junction to North Conway—Ports- mouth, Great Falls and Con. Railroad. | | 72.86 | 72.86 |
| Worcester, Mass., to Rochester, N.H.—Worces- ter, Nashua and R. R.R. | | 94.48 | 94.48 |
| Total Length of Main Line. | 115.50 | 275.63 | 391.13 |
| <i>Branches.</i> | | | |
| Medford, single track. | 2. | | |
| Methuen, single track, 2.75; double track, 1... Great Falls, single track. | *3.75 2.75 | | |
| Total Length of Branches owned, 8.50 miles. | | | 5.75 |
| Newburyport and Danvers, single track. | | 36.24 | |
| Lowell and Andover, double track. | | 8.73 | |
| West Amesbury, single track. | | 4.50 | |
| Dover and Winnipiseogee, single track. | | 29. | |
| Kennebunk and Kennebunkport, single track. .. | | 4.50 | |
| East Boston, single track, 1.91; double track, 1.56. | | 3.47 | |
| Charlestown, double track. | | 1.09 | |
| Saugus, single track. | | 9.55 | |
| Chelsea Beach, single track. | | 1.78 | |
| Swampscott, single track. | | 3.96 | |
| Marblehead, single track. | | 3.52 | |
| Lawrence, single track, 18.25; double track, 1.64. | | 19.89 | |
| South Reading, single track. | | 8.12 | |
| Gloucester, single track. | | 16.94 | |
| Essex, single track. | | 5.48 | |
| Asbury Grove, single track. | | 1.06 | |
| Newburyport City, single track. | | 2.24 | |
| Salisbury, single track. | | 3.79 | |
| Portsmouth and Dover, single track. | | 10.88 | |
| Wolfeboro', single track. | | 12.03 | |
| Total Length of Branches leased. | | | 186.77 |
| Total Length of all Branches, 195.27 miles... | | | |
| Total Miles of Road operated. | *124. | 462.40 | 583.65 |
| Double Track on Main Line. | 70.96 | 51.99 | 122.95 |
| Double Track on Branches. | 1. | 13.02 | 14.02 |
| Total Length of Double Track. | 71.96 | 65.01 | 136.97 |
| Total Length of Sidings. | 94.22 | 144.30 | 238.52 |
| Total Length of Track operated. | *290.18 | 671.71 | 959.14 |

* 275 miles are operated by the Manchester and Lawrence Railroad.

No. 9.
ROLLING STOCK.

| DESCRIPTION. | Owued. | Leased. | Total. |
|--------------------------------------------------------------------------|--------|---------|--------|
| LOCOMOTIVES. | | | |
| Passenger..... | 59 | 68 | 127 |
| Freight..... | 27 | 33 | 60 |
| Switching..... | 17 | 29 | 46 |
| Total Number Locomotives..... | 103 | 130 | 233 |
| PASSENGER EQUIPMENT. | | | |
| Passenger Cars..... | 177 | 189 | 366 |
| Parlor Cars..... | 12 | 3 | 15 |
| Directors' Car..... | | 1 | 1 |
| Paymaster's Car..... | | 1 | 1 |
| Baggage Cars..... | 32 | 45 | 77 |
| Mail Cars..... | | 4 | 4 |
| Express Cars..... | 5 | 4 | 9 |
| Total Number Passenger, Baggage, Mail and Express Cars..... | 226 | 247 | 473 |
| FREIGHT EQUIPMENT. | | | |
| 8-Wheel Box Freight Cars..... | 746 | 1,262 | 2,008 |
| 8-Wheel Box Freight Cars—Caboose Cars..... | 15 | 45 | 60 |
| 4-Wheel Box Freight Cars..... | 86 | 127 | 213 |
| 8-Wheel Platform Freight Cars..... | 654 | 849 | 1,503 |
| 4-Wheel Platform Freight Cars..... | 431 | | 431 |
| 4-Wheel Coal Dump Cars..... | 427 | 130 | 557 |
| 8-Wheel Oil Tank Cars..... | 32 | | 32 |
| Total Number Freight Cars..... | 2,391 | 2,413 | 4,804 |
| Total Number on a basis of 8 wheels..... | 1,919 | 2,284½ | 4,203½ |
| GRAVEL, TOOL, ETC. | | | |
| 4-Wheel Gravel Dump Cars..... | 80 | 201 | 281 |
| 8-Wheel Tool Cars—Box Cars..... | 3 | 15 | 18 |
| 8-Wheel Boarding Cars..... | | 8 | 8 |
| 8-Wheel Tool Cars, Derrick Cars, etc..... | | 4 | 4 |
| 4-Wheel Derrick Cars, Stone Cars, etc..... | 4 | 3 | 7 |
| 8-Wheel Steam Shovel Cars..... | 1 | | 1 |
| 8-Wheel Pile Driver Car..... | | 1 | 1 |
| Total Number Gravel, Tool, etc., Cars..... | 88 | 232 | 320 |
| Snow-Plows on Wheels..... | 14 | 27 | 41 |
| Number Locomotives equipped with Westing- house or Vacuum Brakes..... | 57 | 73 | 130 |
| Number of Cars equipped with Westinghouse or Vacuum Brakes..... | 226 | 247 | 473 |

No. 10.

STEEL RAILS IN TRACK.

| | Miles. |
|----------------------------------------------------------------------------------------------------|--------|
| Main line and double track between Boston and Portland—West- ern Division, is all in Steel..... | 186.46 |
| Main line and double track between Boston and Portland—East- ern Division, is all in Steel..... | 142.15 |
| Medford Branch is all in Steel..... | 2 |
| Lowell and Andover Branch is all in Steel..... | 17.46 |
| Saugus Branch is all in Steel..... | 9.55 |
| Swampscott Branch is all in Steel..... | 3.96 |
| Gloucester Branch is all in Steel..... | 16.94 |
| Worcester, Nashua and Portland Division has of Steel..... | 91.63 |
| Salisbury Branch is all in Steel..... | 3.79 |
| Northern Division has of Steel..... | 26.44 |
| Newburyport and Danvers Branch has of Steel..... | 22.22 |
| Great Falls Branch is all in Steel..... | 2.75 |
| Other Branches have of Steel..... | 47.14 |
| Total Steel Track..... | 572.49 |

COPY OF LEASE

OF THE

Worcester, Nashua & Rochester Railroad Company

TO THE

BOSTON AND MAINE RAILROAD.

This Indenture, made in duplicate, this thirtieth day of October, A.D. 1885, by and between the Worcester, Nashua and Rochester Railroad Company, a Corporation existing under and by virtue of the laws of the Commonwealth of Massachusetts, and under and by virtue of the laws of the State of New Hampshire, party of the first part and hereinafter denominated the Lessor, and the Boston and Maine Railroad, a Corporation existing under and by virtue of the laws of said Commonwealth, and under and by virtue of the laws of the States of Maine and New Hampshire, party of the second part and hereinafter denominated the Lessee.

Witnesseth, That the said parties each for itself, its successors and assigns, and each in consideration of the grants, covenants and engagements herein made by the other, have granted, covenanted and agreed, and do hereby grant, covenant and agree, each to and with the other, its successors and assigns, as follows, to wit:—

I.

The Lessor doth grant, demise and lease unto the Lessee, its successors and assigns, its railroad and property of every description,—including therein its railroad, lands, branches, tracks, side-tracks, road-beds, superstructure, station-houses, depot grounds, depots, viaducts, bridges, piers, shops, buildings, fixtures, engines, cars, rolling-stock, machinery, tools, furniture, telegraph apparatus, equipment, and all rights, franchises, easements, privileges and appurtenances thereto belonging, together with the right to demand and receive all tolls, rent, revenue, income and profits of the demised premises; including also therein all the right, title and interest of the Lessor in and to any contracts with other railroads, corporations or individuals, and all advantages and benefits to be derived therefrom; excepting, however, from the property herein demised, all supplies and materials, rolling-stock and equipment in process of construction, bills and accounts receivable, the Lessor's shares of its own Capital Stock, and cash on hand at the time when

this lease takes effect; hereby assigning and transferring unto the Lessee all its railroad, railroad property, franchises and assets of every description, except as aforesaid, subject, however, to a mortgage made by the Worcester and Nashua Railroad Company to Charles W. Smith and others, Trustees, dated August first, A.D. 1879, and recorded with Worcester Deeds, Book 1057, page 251. and to a mortgage made by the Nashua and Rochester Railroad to Alexander H. Bullock and others, Trustees, dated February twenty-fifth, A.D. 1874, and approved by the Railroad Commissioners of New Hampshire, March second, A.D. 1874, and subject to all other legal obligations and encumbrances.

To have and to hold all and singular the demised premises to the Lessee, its successors and assigns, for and during the term of fifty years from and after the first day of January, A.D. 1886, yielding and paying rent as provided in the article next following, and keeping and performing the terms, conditions and stipulations hereinafter contained on the part of said Lessee to be kept and performed.

II.

The Lessee shall pay to the Lessor, as rent of the demised premises, the sum of two hundred and fifty thousand dollars in each year during the term of this lease, payable semi-annually in equal instalments on the first days of July and January, and the first of said instalments being payable on the first day of July, A.D. 1886, and shall also pay as part of the rent herein reserved all taxes assessed to the Lessor during the term of this lease.

III.

The Lessee shall purchase of the Lessor, at valuations to be fixed by the appraisers provided for in Article VI. of this lease, all rolling-stock and equipment in process of construction, and all materials and supplies on hand and not incorporated into its road or equipment, — steel rails to be taken at the invoice cost to the Lessor.

IV.

The Lessee shall assume all contracts of the Lessor for equipment, supplies, or material not delivered at the time this lease takes effect, and not then paid for, the same on delivery to become the property of the Lessee; shall assume all other contracts of the Lessor, with individuals or corporations, relating to the operation and management of the demised premises so far as said contracts are executory and the benefits thereof are received by the Lessee after this lease takes effect, but shall in no case be responsible for any indebtedness of the Lessor of whatever character, or however or whenever arising, and shall assume and defend at its own cost all suits against the Lessor arising out of or in any way connected with the current use and operation of the demised premises from and after the taking effect of this lease.

V.

The Lessee shall use and operate the railroads and properties herein demised, in accordance with the charter of the Lessor and the laws of the Commonwealth of Massachusetts and of the State of New Hampshire, so far as the same are respectively applicable, shall furnish all cars, engines, rolling-stock and equipment of every description required in addition to the like property hereby demised, for the due operation of the railroad operated under and by virtue of this lease; shall keep the demised premises reasonably insured, and shall apply the proceeds of any insurance to restoring and replacing the property destroyed, or to making permanent improvements not in the nature of ordinary repairs upon the demised premises; shall apply the proceeds of rolling-stock, equipment, and other personal property herein demised, which it may deem advisable to sell, and which it is hereby authorized to sell at its discretion, so as to substitute therefor like property of equal value; shall replace buildings or structures on the demised premises taken down or removed, and which the Lessee is hereby authorized to take down or remove at its discretion, with other buildings, structures or permanent improvements upon the demised premises, of equal value; shall furnish the directors of the Lessor, not exceeding seven in number, with free annual passes over the railroads of the Lessee as well as over the railroad operated by the Lessee under this lease; shall permit the demised premises to be inspected annually by some competent person appointed by the Lessor, who shall report to the Lessor the condition of said premises, and shall for the purpose of such inspection be furnished with free transportation over the railroad operated by the Lessee under this lease; shall make all returns required by law, and shall furnish the Lessor with such abstracts of its accounts as shall enable it to make all returns required by the Lessor; shall not assign this lease, nor underlet the whole or any part of the demised premises, except such portions thereof as may not be required for railroad uses, without the written assent of the Lessor first had and obtained; shall keep the demised premises in the same condition of repair as the said demised premises are in at the inception of this lease, and shall cause all rolling-stock substituted for that herein demised to be distinguished by appropriate names, numbers or letters; and at the end of the term of this lease, or at any earlier termination thereof from any cause whatever, shall surrender the demised real and personal estate (to be ascertained and determined according to the inventory hereinafter provided for) in the like good order and condition in which they are at the inception of this lease, or may be put during the term, with all improvements thereon or additions thereto: *Provided* that at the expiration of this lease the Lessor shall pay to the Lessee the value of such improvements and additions to be appraised, unless agreed upon by the parties, by the board of arbitrators provided for in the ninth article of this lease.

VI.

That the property herein demised and to be accounted for upon the termination of this lease may be accurately determined, there shall be made, as of the day when this lease takes effect, a full, complete and particular inventory,

description and appraisal of all the estate and property, real and personal, belonging to the Lessor, and coming into the possession of the Lessee by virtue of this lease. Such inventory, description and appraisal shall be made by two competent persons, one selected by each party; in case of their disagreement, they shall refer the matter in difference to some third person, whose decision shall be final. Such inventory, description and appraisal shall be made in duplicate and an original furnished to each party, and shall be evidence of the nature, value and condition of the property demised at the inception of this lease in all cases in which any question of such nature, condition or value may arise.

VII.

The Lessor shall maintain its existence and organization as a corporation, and to that end shall comply with all the requisites and forms of law; shall do all acts and things and execute all legal instruments necessary and proper to put and secure the Lessee in the full enjoyment of all the property, rights, franchises and interests herein demised, and to carry into effect the true intent and meaning of this lease; and shall permit the Lessee to use the name of the Lessor (and hereby grants the use of such name irrevocably) in all legal proceedings and in all cases needful for obtaining, holding and enjoying the premises hereby demised, and for all purposes consistent with the true scope and intent of this lease.

VIII.

This lease is upon the condition that, if the Lessee shall at any time fail to make to the Lessor any of the payments herein stipulated to be made as and for rent of the demised premises, then and in such case the Lessor may at once enter upon the demised premises, and upon any part thereof as for the whole, and expel the Lessee and determine the estate hereby granted, and shall thereupon become seized and possessed of the demised premises and of every part thereof in its original right, and as if this lease had never been made; and upon the further condition, that if the Lessee shall fail to perform any other of the covenants and agreements in this lease contained, and such failure shall continue for six months after written notice of such failure from the directors of the Lessor, the Lessor shall have the like right to enter and expel the Lessee and revest in itself its former estate in the demised premises and every part thereof; provided, however, that such entry by the Lessor for breach of condition shall in no wise prejudice or impair any remedies to which it might otherwise be entitled for arrears of rent or preceding breach of covenants.

IX.

In case of any disagreement between the parties hereto as to the true intent and meaning of this lease or any part thereof, or as to anything done under and by virtue of it or growing out of it, the matter in controversy shall be referred by written submission to the arbitration of the Chairman of the

Railroad Commissioners of Massachusetts, the President of the Boston and Albany Railroad Company, and the President of the Boston and Providence Railroad Company, for the time being. The arbitrators shall hear the parties, after due notice to each of them, and if either party fail to attend after such notice, may proceed *ex parte*. The award in writing of said arbitrators or a majority of them, being duly notified to the parties, shall be final and conclusive upon them.

IN TESTIMONY WHEREOF, the said parties, by their respective presidents and treasurers thereunto duly authorized, have caused their corporate seals to be hereto affixed, and these presents to be executed, the day and year before written.

BOSTON AND MAINE RAILROAD,

(Signed)

By GEORGE C. LORD, *President*.

AMOS BLANCHARD, *Treasurer*.

SEAL.

WORCESTER, NASHUA AND ROCHESTER RAILROAD COMPANY,

(Signed)

By CHARLES A. SINCLAIR, *President*.

TIMOTHY W. HAMMOND, *Treasurer*.

SEAL.

